

## **Opening Statement of Social Security Subcommittee**

### **Ranking Member Xavier Becerra**

*Social Security Subcommittee Hearing on Social Security Disability Program*

*Committee on Ways and Means*

June 27, 2012

(Remarks as Prepared)

Mr. Chairman, thank you for calling this fourth hearing in our series focusing on Social Security disability insurance.

Before we delve into the details of Social Security's appeals process, I want to first step back and look at the big picture.

Social Security is vital to millions of severely disabled American workers and their families. Benefits are modest, averaging just over \$13,000 a year – or about \$35 per day – for a typical disabled worker. These benefits are a life line for the more than half of DI recipients who would live in poverty without Social Security. DI recipients are only a small fraction of the most vulnerable Americans with disabilities and serious illnesses. They are Americans who worked and paid into Social Security, and later became so sick or disabled that they were unable to work for at least a year. In short, the eligibility criteria to qualify for Social Security disability are tough.

Social Security's appeals process helps ensure that all workers who are eligible and have earned DI receive it. The disability application process begins with the state disability determination service, or DDS, which makes a decision on the application. The DDSs process over 3 million applications a year and two-thirds of these are turned down. About half of the people who are turned down accept the decision as final and do not pursue an appeal.

The DDS is an important part of the disability determination process, but alone it is not always sufficient to ensure that individuals get the disability benefits they earned.

The decision about whether an individual is disabled enough to qualify for benefits can be a difficult one. In addition, there can be complicating factors in individual cases. For example, the nature of the person's disability, or a lack of sophistication, may interfere with their ability to understand the application process and show why they cannot work; doctors and hospitals do not always respond promptly to SSA's requests for the medical records needed to make a correct decision; and some people with disabilities do not have access to medical care, and therefore do not have the medical records needed to prove their case.

Recognizing these realities and challenges, Congress and SSA created an appeals process to help ensure that everyone who meets the eligibility requirements gets the benefits they have earned.

The current appeals process has a number of strengths; however, there is always room for improvement. It is designed to be fair and accessible. It's non-adversarial, so judges can focus on fact-finding and applying the law. It's impartial because independent judges take a fresh look at the case, and their decisions are not based on meeting certain allowance or denial rates. It's face-to-face -- and the first time that the person and the SSA evaluator are actually able to talk to each other.

But, as with any judicial proceeding involving a complex issue, not all judges will decide cases in exactly the same way -- even though they are all following the same process, law, and regulations. It is essential that judges have adequate training in the law's requirements. There must also be sufficient quality control on the part of SSA. This would give Americans greater confidence that they are being treated fairly, consistently and in accordance with law.

“We are going to hear a number of ideas today about how to improve the appeals process. I will be evaluating all of these ideas using a simple standard: Will it ensure that Americans who are eligible for benefits are able to get them, or will it create procedural hurdles or other obstacles that would deny access to benefits that they have otherwise earned?”

Budget decisions by Congress also affect whether Social Security is fair to hardworking Americans and their families. Social Security is popular and Americans like it because it works. It helps millions of Americans and their families live a life of dignity.

We have seen how SSA can reduce waiting times when Congress provides adequate funding for SSA to process claims quickly and accurately. In 2008, waiting times for appeals hearings were at an all-time high of 535 days. In Fiscal Year 2009 and 2010, the Democratic Congress provided SSA with a total of \$2.2 billion to reduce backlogs, and waiting times dropped to 340 days. I want to congratulate SSA’s dedicated employees for their success in reducing waiting times and improving the lives of the Americans they serve.

A Republican-led Congress cut SSA’s budget in 2011 and 2012. With less funding and fewer employees, it is inevitable that hardworking Americans will have to wait longer to receive the benefits they have earned.

We are already starting to see the negative effects of these budget cuts: Waiting times for initial benefit decisions are on the rise and are likely to go from 111 days to over 130 days by the end of this year. Waiting times for appeals hearings have crept up from 340 days in October of 2011 to the current wait time of 350 days.

SSA is now facing an even bigger cut – “sequestration,” the automatic cuts scheduled by the Budget Control Act. Although Social Security benefits are protected, if Congress doesn’t act soon, SSA’s operating budget will be cut by more than one billion dollars on January 2nd – even though 100 percent of the cost of administering Social Security is paid for by workers through the Social Security Trust Fund.

A billion-dollar cut would translate into 40 days where SSA offices would be closed over the course of a year. During those 40 days: all disability appeals would stop, applications could not be filed, payment orders would not be processed, doors would be locked, and phones would not

be answered.

It is hard to imagine this scenario, yet Congressional Republicans have focused on increasing defense contractor payments, rather than ensuring that Americans who have earned Social Security benefits receive them on time.

No one should be surprised if these harsh cuts to SSA's budget damage Social Security's well-earned reputation and undercut SSA's ability to continue to capably serve Americans, as it has over the past 77 years.

Mr. Chairman, the most immediate threat to the Social Security disability appeals process is the budget cuts that would prevent appeals from being heard at all. I hope we can work together to make sure Americans get the Social Security benefits they have earned and deserve.

In the meantime, I look forward to our witnesses' comments on how the appeals process itself can be improved.